

REMARKS/ARGUMENTS

This Amendment is being filed in response to the Office Action dated May 17, 2007. Reconsideration and allowance of the application in view of the amendments made above and the remarks to follow are respectfully requested.

Claims 1-4, 14-23 and 25-41 are pending in the Application. Claims 14-24 were pending in this application. Claims 14-24 are canceled herein, without prejudice. Further, the claims are amended for better conformance to U.S. practice. By these amendments, the claims were not amended to address issues of patentability and Applicants respectfully reserve the right to reintroduce subject matter deleted herein, either at a later time during the prosecution of this application or any continuing applications. Claims 31-41 are added by this amendment to substantially correspond to canceled claims 14-24, however, provided in more standard U.S. form. Claims 1, 3, 30, 31 and 33 are independent claims.

In the Office Action, claims 14-17 are rejected under 35 U.S.C. §101 as allegedly directed to non-statutory subject matter. Applicants respectfully disagree with and explicitly traverse this

ground for rejecting claims 14-17. It is the Applicants' position that the claims required statutory subject matter. However, in the interest of furthering the prosecution of this matter, Applicants have elected to cancel claims 14-17 and provide those claims in more standard U.S. form as discussed above. Clearly, claims 31-34 require statutory subject matter. Accordingly, it is respectfully requested that this rejection be withdrawn.

In the Office Action, claims 14-24 are rejected under 35 U.S.C. §112, second paragraph, as allegedly being indefinite. Without agreeing with the Examiner, and in the interest of furthering the prosecution and expediting allowance of the present Application, claims 14-24 are canceled and provided in more standard U.S. form. It is respectfully submitted that the explanation provided above and the rewriting of claims 14-24 in the form of claims 31-41 overcomes the 35 U.S.C. §112, second paragraph rejection. Accordingly, it is respectfully requested that the 35 U.S.C. §112, second paragraph rejection be withdrawn.

Claims 1-4, 14-17 and 25-30 are rejected under 35 U.S.C. §102(e) as allegedly anticipated by U.S. Patent No. 6,122,379 to Barbir ("Barbir"). Claims 18-24 are rejected under 35 U.S.C.

§103(a) as allegedly unpatentable over Barbir in view of U.S. Patent No. 6,332,194 to Bloom ("Bloom"). It is respectfully submitted that the claims are allowable for at least the following reasons.

Barbir shows a system of compressing and encrypting data. In Barbir, a modeling system is "developed that provides to an arithmetic coder probability estimates of the symbols that are a function of their occurrence in the clear text and a stream cipher" (column 8, lines 12-15). Furthermore, in the Response to Arguments section, the Office Action alleges on page 2, numbered paragraph 5 that "[t]he symbol frequencies used for secure compression and generated by the encoder are a function of the occurrence of a given symbol and the supplemental data...Because the supplemental data is utilized to both encode the symbols at a sending node and decode the encoded symbols at a receiving node, by necessity, the supplemental data is recoverable".

As described in Fig. 7 and col. 9, lines 37-67 of Barbir, various steps are shown (steps 400 to 460 in Fig. 7) that illustrate the decoding of the symbols. Even if, arguendo it is presumed that the supplemental data is recoverable in Barbir, the

various decoding steps in Fig. 7 show that the supplemental data is not configured to be detected regardless of whether the remaining encoded data is decoded. In Barbir, any supplemental data is decoded with the remaining data.

It is respectfully submitted that the method of claim 1 is not anticipated or made obvious by the teachings of Barbir. For example, Barbir does disclose or suggest, a method that amongst other patentable elements, comprises (illustrative emphasis provided) "wherein the recoverably embedded supplemental data is configured to be detected regardless of whether the remaining encoded data is decoded" as required by claim 1, and substantively required by each of claims 3, 30, 31 and 33 of the present application.

Bloom is recited in rejecting some of the dependent claims but does nothing to cure this deficiency in Barbir.

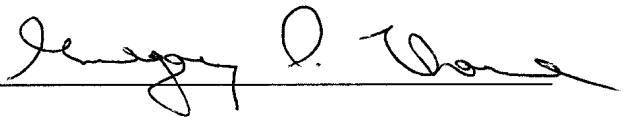
Based on the foregoing, the Applicants respectfully submit that independent claims 1, 3, 30, 31 and 33 are patentable over Barbir alone and in combination with Bloom and notice to this effect is earnestly solicited. Claims 2, 4, 25-29, 32 and 34-41 respectively depend from one of claims 1, 3, 30, 31 and 33 and

accordingly are allowable for at least this reason as well as for the separately patentable elements contained in each of the claims. Accordingly, separate consideration and allowance of each of the dependent claims is respectfully requested.

In addition, Applicants deny any statement, position or averment of the Examiner that is not specifically addressed by the foregoing argument and response. Any rejections and/or points of argument not addressed would appear to be moot in view of the presented remarks. However, the Applicants reserve the right to submit further arguments in support of the above stated position, should that become necessary. No arguments are waived and none of the Examiner's statements are conceded.

Applicants have made a diligent and sincere effort to place this application in condition for immediate allowance and notice to this effect is earnestly solicited.

Respectfully submitted,

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